



General Assembly

February Session, 2006

Raised Bill No. 5842

LCO No. 3543

03543_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***AN ACT LOWERING PROPERTY TAXES THROUGH STATE
ASSUMPTION OF MUNICIPAL LIABILITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) There is established the
2 "Healthy Employees and Lower Property Taxes Fund" which shall be a
3 nonlapsing fund held by the Treasurer separate and apart from all
4 other moneys, funds and accounts. The fund shall contain all moneys
5 received pursuant to sections 2 and 7 of this act and any moneys
6 required by law to be deposited in the fund. Investment earnings
7 credited to the assets of said fund shall become part of the assets of
8 said fund. The Treasurer shall invest the moneys held by the Healthy
9 Employees and Lower Property Taxes Fund subject to use for financial
10 assistance under the Healthy Employees and Lower Property Taxes
11 Fund program established pursuant to section 3 of this act or under
12 section 10-76g, of the 2006 supplement to the general statutes, as
13 amended by this act.

14 (b) Any moneys held in the Healthy Employees and Lower Property
15 Taxes Fund may, pending the use or application of the proceeds
16 thereof for an authorized purpose, be (1) invested and reinvested in

17 such obligations, securities and investments as are set forth in
18 subsection (f) of section 3-20 of the 2006 supplement to the general
19 statutes, in participation certificates in the Short Term Investment
20 Fund created under sections 3-27a and 3-27f of the general statutes and
21 in participation certificates or securities of the Tax-Exempt Proceeds
22 Fund created under section 3-24a of the general statutes, (2) deposited
23 or redeposited in such bank or banks at the direction of the Treasurer,
24 or (3) invested in participation units in the combined investment
25 funds, as defined in section 3-31b of the general statutes. Unless
26 otherwise provided pursuant to subsection (c) of this section, proceeds
27 from investments authorized by this subsection shall be credited to the
28 Healthy Employees and Lower Property Taxes Fund.

29 (c) The moneys of the Healthy Employees and Lower Property
30 Taxes Fund shall be used to fund the Healthy Employees and Lower
31 Property Taxes Fund program established under section 3 of this act,
32 and state aid to education pursuant to section 10-76g, of the 2006
33 supplement to the general statutes, as amended by this act, and are in
34 addition to any other resources available from state, federal or other
35 entities that support the program goals established in said section 3.

36 Sec. 2. (NEW) (*Effective from passage*) On and after July 1, 2006, all
37 funds received by the state pursuant to a memorandum of
38 understanding with an Indian tribe shall, upon deposit in the General
39 Fund, be credited to the Healthy Employees and Lower Property Taxes
40 Fund established pursuant to section 1 of this act.

41 Sec. 3. (NEW) (*Effective from passage*) (a) For purposes of this section:

42 (1) "Town" means any town, consolidated town and city or
43 consolidated town and borough;

44 (2) "Employee" means any employee of a town, including
45 employees of such town's board of education, whether or not in the
46 classified service of the town, except "employee" shall not include
47 elected officials, board and commission members, and part-time

48 employees who work less than twenty hours per week on a seasonal
49 basis; and

50 (3) "Seasonal basis" means working for a period of not more than
51 one hundred twenty calendar days in any calendar year.

52 (b) For the purpose of providing financial support to the towns of
53 the state, so that such towns are able to reduce the property taxes of its
54 citizens, there is established the Healthy Employees and Lower
55 Property Taxes Fund program. Said program shall provide health
56 insurance coverage for all town employees in the state.

57 (c) The Comptroller, with the approval of the Attorney General and
58 of the Insurance Commissioner, shall arrange and procure a group
59 hospitalization and medical and surgical insurance plan or plans for
60 the employees of each town in the state. The plan or plans procured
61 pursuant to this section shall be funded by the Healthy Employees and
62 Lower Property Taxes Fund established pursuant to section 1 of this
63 act.

64 (d) The minimum benefits to be provided by such plan or plans
65 shall be substantially equal in value to the benefits that each such
66 employee could secure in such plan or plans on an individual basis on
67 the preceding first day of July. The state shall pay for each such
68 employee covered by such plan or plans the portion of the premium
69 charged for such employee's individual coverage and seventy per cent
70 of the additional cost of the form of coverage and such amount shall be
71 credited to the total premiums owed by such employee for the form of
72 such employee's coverage under such plan or plans. The balance of
73 any premiums payable by an individual employee for the form of
74 coverage shall be deducted by the employer and remitted to the
75 Comptroller on a monthly basis. The total premiums payable shall be
76 remitted by the Comptroller to the insurance company or companies
77 or nonprofit organization or organizations providing the coverage. The
78 amount of the state's contribution per employee for a health
79 maintenance organization option shall be equal, in terms of dollars and

80 cents, to the largest amount of the contribution per employee paid for
81 any other option that is available to all eligible employees included in
82 the health benefits plan, but shall not be required to exceed the amount
83 of the health maintenance organization premium.

84 (e) The Comptroller shall provide for coverage of employees of
85 towns under the plan or plans procured under subsection (b) of this
86 section, provided no group of employees shall be refused entry into
87 the plan by reason of past or future health care costs or claim
88 experience.

89 (f) (1) For purposes of this subsection, "employee organization"
90 means any lawful association, labor organization, federation or council
91 having as a primary purpose the improvement of wages, hours and
92 other conditions of employment among town employees.

93 (2) Notwithstanding any provisions of the general statutes, special
94 act, municipal charter or ordinance, on and after the effective date of
95 this section, collective bargaining negotiations concerning
96 hospitalization and medical and surgical insurance plan or plans
97 effective on and after the effective date of this section, shall be
98 conducted between the state of Connecticut and a coalition committee
99 of municipal and teacher labor unions that represents all town and
100 board of education employees who are members of any designated
101 employee organization.

102 (3) The provisions of subdivision (2) of this subsection shall not be
103 construed to prevent the Comptroller and representatives of employee
104 organizations from dealing with any state-wide issue using the
105 procedure establish in said subdivision (2).

106 Sec. 4. (NEW) (*Effective from passage*) (a) The Secretary of the Office
107 of Policy and Management shall determine the savings realized by
108 each town participating in the program established in section 3 of this
109 act. The total amount of each such town's savings shall be the amount
110 in the total town budget as of October 1, 2005, attributable to payments

111 for health insurance coverage for all current and active employees,
112 including employees of such town's board of education. No such town
113 shall use the savings realized through said program for any purpose
114 other than to reduce the mill rate set by such town as of October 1,
115 2005. Each such town shall calculate the amount of the town budget
116 that represents that amount expended for health insurance for
117 employees as of October 1, 2005, and shall then calculate the impact of
118 such expenditure on the mill rate of such town. Not later than October
119 1, 2006, the mill rate for each such town shall be reduced accordingly.

120 (b) Each employee hired by such town on or after the effective date
121 of this section shall be covered by the plan established pursuant to
122 section 3 of this act, but no increase in such town's mill rate
123 attributable to the cost of coverage for any newly-hired employee shall
124 be allowed until the fiscal year beginning on or after eighteen months
125 after such employee begins to receive health insurance coverage.

126 (c) A town participating in the program established in section 3 of
127 this act may provide benefits under a health care plan that are in
128 addition to the benefits provided by the plan offered pursuant to
129 section 3 of this act, but the mill rate of such town may not be adjusted
130 to reflect the cost of such extra benefits.

131 (d) Any participating town that fails to (1) lower its mill rate to
132 reflect the savings realized through the program established pursuant
133 to section 3 of this act, or (2) provide information as required in
134 subsection (e) of this section, shall be subject to a penalty effective for
135 the fiscal year commencing on the first day of July following the fiscal
136 year in which such town so failed to act, and continuing for each
137 successive fiscal year in which such town continues in such inaction.
138 Such penalty shall be the forfeit of the amount otherwise allocable to
139 such town pursuant to section 7-536 of the general statutes. The
140 secretary may waive such penalty if, in the secretary's opinion, there
141 appears to be reasonable cause for the town's inaction.

142 (e) Each participating town shall submit any data the secretary may

143 require for the purpose of determining the savings realized under said
144 program in a form and manner as said secretary may prescribe. Upon
145 receipt of a request from said secretary, a town shall provide any
146 additional information said secretary may require with respect to the
147 data submitted. Said secretary shall provide assistance to each town in
148 calculating such mill rate reduction and shall review each town's
149 adjusted mill rate.

150 Sec. 5. (NEW) (*Effective from passage*) Each municipality participating
151 in the program established pursuant to section 3 of this act shall
152 redesign and designate a place on its municipal motor vehicle property
153 tax bill to inform taxpayers of the amount of savings realized by the
154 municipality, and any further information regarding such program as
155 the Secretary of the Office of Policy and Management may direct. The
156 redesign of the motor vehicle property tax bill shall be approved by
157 said secretary prior to its use.

158 Sec. 6. Section 10-76g of the 2006 supplement to the general statutes
159 is repealed and the following is substituted in lieu thereof (*Effective*
160 *from passage*):

161 [[a)] (1) For the fiscal year ending June 30, 1984, and each fiscal year
162 thereafter, in any case in which special education is being provided at
163 a private residential institution, including the residential components
164 of regional educational service centers, to a child for whom no local or
165 regional board of education can be found responsible under subsection
166 (b) of section 10-76d, as amended, the Department of Children and
167 Families shall pay the costs of special education to such institution
168 pursuant to its authority under sections 17a-1 to 17a-26, inclusive, 17a-
169 28 to 17a-50, inclusive, as amended, and 17a-52. (2) For the fiscal year
170 ending June 30, 1993, and each fiscal year thereafter, any local or
171 regional board of education which provides special education and
172 related services for any child (A) who is placed by a public agency,
173 including, but not limited to, offices of a government of a federally
174 recognized Native American tribe, in a private residential facility or

175 who is placed in a facility or institution operated by the Department of
176 Children and Families and who receives such special education at a
177 program operated by a regional education service center or program
178 operated by a local or regional board of education, and (B) for whom
179 no local or regional board of education can be found responsible under
180 subsection (b) of section 10-76d, as amended, shall be eligible to receive
181 one hundred per cent of the reasonable costs of special education for
182 such child as defined in the regulations of the State Board of
183 Education. For the fiscal year ending June 30, 2007, and each fiscal year
184 thereafter, any local or regional board of education which provides
185 special education and related services for any child shall be eligible to
186 receive one hundred per cent of the reasonable costs of special
187 education for such child as defined in the regulations of the State
188 Board of Education. Any such board eligible for payment shall file
189 with the Department of Education, in such manner as prescribed by
190 the Commissioner of Education, annually, on or before December first
191 a statement of the cost of providing special education for such child,
192 provided a board of education may submit, not later than March first,
193 claims for additional children or costs not included in the December
194 filing. Payment by the state for such costs shall be made to the local or
195 regional board of education as follows: Seventy-five per cent of the
196 cost in February and the balance in May.

197 [(b) Any local or regional board of education which provides special
198 education pursuant to the provisions of sections 10-76a to 10-76g,
199 inclusive, for any exceptional child described in subparagraph (A) of
200 subdivision (5) of section 10-76a, under its jurisdiction, excluding (1)
201 children placed by a state agency for whom a board of education
202 receives payment pursuant to the provisions of subdivision (2) of
203 subsection (e) of section 10-76d, and (2) children who require special
204 education, who reside on state-owned or leased property or in
205 permanent family residences, as defined in section 17a-154, and who
206 are not the educational responsibility of the unified school districts
207 established pursuant to sections 17a-37, 17a-240 and 18-99a, shall be
208 financially responsible for the reasonable costs of special education

209 instruction, as defined in the regulations of the State Board of
210 Education, in an amount equal to (A) for any fiscal year commencing
211 prior to July 1, 2005, five times the average per pupil educational costs
212 of such board of education for the prior fiscal year, determined in
213 accordance with the provisions of subsection (a) of section 10-76f, and
214 (B) for the fiscal year commencing July 1, 2005, and each fiscal year
215 thereafter, four and one-half times such average per pupil educational
216 costs of such board of education. The State Board of Education shall
217 pay on a current basis any costs in excess of the local or regional
218 board's basic contribution paid by such board in accordance with the
219 provisions of this subsection. Any amounts paid by the State Board of
220 Education on a current basis pursuant to this subsection shall not be
221 reimbursable in the subsequent year. Application for such grant shall
222 be made by filing with the Department of Education, in such manner
223 as prescribed by the commissioner, annually on or before December
224 first a statement of the cost of providing special education pursuant to
225 this subsection, provided a board of education may submit, not later
226 than March first, claims for additional children or costs not included in
227 the December filing. Payment by the state for such excess costs shall be
228 made to the local or regional board of education as follows: Seventy-
229 five per cent of the cost in February and the balance in May. The
230 amount due each town pursuant to the provisions of this subsection
231 shall be paid to the treasurer of each town entitled to such aid,
232 provided the treasurer shall treat such grant, or a portion of the grant,
233 which relates to special education expenditures incurred in excess of
234 such town's board of education budgeted estimate of such
235 expenditures, as a reduction in expenditures by crediting such
236 expenditure account, rather than town revenue. Such expenditure
237 account shall be so credited no later than thirty days after receipt by
238 the treasurer of necessary documentation from the board of education
239 indicating the amount of such special education expenditures incurred
240 in excess of such town's board of education budgeted estimate of such
241 expenditures.

242 (c) Commencing with the fiscal year ending June 30, 1996, and for

243 each fiscal year thereafter, within available appropriations, each town
 244 whose ratio of (1) net costs of special education, as defined in
 245 subsection (h) of section 10-76f, for the fiscal year prior to the year in
 246 which the grant is to be paid to (2) the product of its total need
 247 students, as defined in section 10-262f, and the average regular
 248 program expenditures, as defined in section 10-262f, per need student
 249 for all towns for such year exceeds the state-wide average for all such
 250 ratios shall be eligible to receive a supplemental special education
 251 grant. Such grant shall be equal to the product of a town's eligible
 252 excess costs and the town's base aid ratio, as defined in section 10-262f,
 253 provided each town's grant shall be adjusted proportionately if
 254 necessary to stay within the appropriation. Payment pursuant to this
 255 subsection shall be made in June. For purposes of this subsection, a
 256 town's eligible excess costs are the difference between its net costs of
 257 special education and the amount the town would have expended if it
 258 spent at the state-wide average rate.

259 (d) Notwithstanding the provisions of this section, for the fiscal
 260 years ending June 30, 2004, to June 30, 2007, inclusive, the amount of
 261 the grants payable to local or regional boards of education in
 262 accordance with this section, except grants paid in accordance with
 263 subdivision (2) of subsection (a) of this section, for the fiscal years
 264 ending June 30, 2006, and June 30, 2007, shall be reduced
 265 proportionately if the total of such grants in such year exceeds the
 266 amount appropriated for the purposes of this section for such year.]

267 Sec. 7. Section 3-55i of the 2006 supplement to the general statutes is
 268 repealed and the following is substitute in lieu thereof (*Effective from*
 269 *passage*):

270 There is established the ["Mashantucket Pequot and Mohegan
 271 Fund" which shall be a separate nonlapsing fund. All funds received
 272 by the state of Connecticut from the Mashantucket Pequot Tribe
 273 pursuant to the joint memorandum of understanding entered into by
 274 and between the state and the tribe on January 13, 1993, as amended

275 on April 30, 1993, and any successor thereto, shall be deposited in the
 276 General Fund. During the fiscal year ending June 30, 2000, and each
 277 fiscal year thereafter, one hundred thirty-five million dollars, received
 278 by the state from the tribe pursuant to said joint memorandum of
 279 understanding, as amended, and any successor thereto, shall be
 280 transferred to the Mashantucket Pequot and Mohegan Fund and]
 281 Supplemental Municipal Assistance Grant which shall be paid from
 282 the General Fund. Commencing with the fiscal year ending June 30,
 283 2007, and each fiscal year thereafter, eighty-six million two hundred
 284 fifty thousand dollars shall be distributed by the Office of Policy and
 285 Management, during [said] such fiscal year, in accordance with the
 286 provisions of section 3-55j, as amended by this act. The amount of the
 287 grant payable to each municipality during any fiscal year, in
 288 accordance with said section, shall be reduced proportionately if the
 289 total of such grants exceeds the amount of funds available for such
 290 year. The grant shall be paid in three installments as follows: The
 291 Secretary of the Office of Policy and Management shall, annually, not
 292 later than the fifteenth day of December, the fifteenth day of March
 293 and the fifteenth day of June certify to the Comptroller the amount due
 294 each municipality under the provisions of section 3-55j, as amended by
 295 this act, and the Comptroller shall draw an order on the Treasurer on
 296 or before the fifth business day following the fifteenth day of
 297 December, the fifth business day following the fifteenth day of March
 298 and the fifth business day following the fifteenth day of June and the
 299 Treasurer shall pay the amount thereof to such municipality on or
 300 before the first day of January, the first day of April and the thirtieth
 301 day of June.

302 Sec. 8. Section 3-55j of the 2006 supplement to the general statutes is
 303 repealed and the following is substituted in lieu thereof (*Effective from*
 304 *passage*):

305 (a) Twenty million dollars of the moneys available in the
 306 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal
 307 Assistance Grant established by section 3-55i, as amended by this act,

308 shall be paid to municipalities eligible for a state grant in lieu of taxes
309 pursuant to section 12-19a in addition to the grants payable to such
310 municipalities pursuant to section 12-19a, subject to the provisions of
311 subsection (b) of this section. Such grant shall be calculated under the
312 provisions of section 12-19a and shall equal one-third of the additional
313 amount which such municipalities would be eligible to receive if the
314 total amount available for distribution were eighty-five million two
315 hundred five thousand eighty-five dollars and the percentage of
316 reimbursement set forth in section 12-19a were increased to reflect
317 such amount. Any eligible special services district shall receive a
318 portion of the grant payable under this subsection to the town in
319 which such district is located. The portion payable to any such district
320 under this subsection shall be the amount of the grant to the town
321 under this subsection which results from application of the district mill
322 rate to exempt property in the district. As used in this subsection and
323 subsection (c) of this section, "eligible special services district" means
324 any special services district created by a town charter, having its own
325 governing body and for the assessment year commencing October 1,
326 1996, containing fifty per cent or more of the value of total taxable
327 property within the town in which such district is located.

328 (b) No municipality shall receive a grant pursuant to subsection (a)
329 of this section which, when added to the amount of the grant payable
330 to such municipality pursuant to section 12-19a, would exceed one
331 hundred per cent of the property taxes which would have been paid
332 with respect to all state-owned real property, except for the exemption
333 applicable to such property, on the assessment list in such
334 municipality for the assessment date two years prior to the
335 commencement of the state fiscal year in which such grants are
336 payable, except that, notwithstanding the provisions of said subsection
337 (a), no municipality shall receive a grant pursuant to said subsection
338 which is less than one thousand six hundred sixty-seven dollars.

339 (c) Twenty million one hundred twenty-three thousand nine
340 hundred sixteen dollars of the moneys available in the [Mashantucket

341 Pequot and Mohegan Fund] Supplemental Municipal Assistance Grant
342 established by section 3-55i, as amended by this act, shall be paid to
343 municipalities eligible for a state grant in lieu of taxes pursuant to
344 section 12-20a, in addition to and in the same proportion as the grants
345 payable to such municipalities pursuant to section 12-20a, subject to
346 the provisions of subsection (d) of this section. Any eligible special
347 services district shall receive a portion of the grant payable under this
348 subsection to the town in which such district is located. The portion
349 payable to any such district under this subsection shall be the amount
350 of the grant to the town under this subsection which results from
351 application of the district mill rate to exempt property in the district.

352 (d) Notwithstanding the provisions of subsection (c) of this section,
353 no municipality shall receive a grant pursuant to said subsection
354 which, when added to the amount of the grant payable to such
355 municipality pursuant to section 12-20a, would exceed one hundred
356 per cent of the property taxes which, except for any exemption
357 applicable to any private nonprofit institution of higher education,
358 nonprofit general hospital facility or free standing chronic disease
359 hospital under the provisions of section 12-81, as amended, would
360 have been paid with respect to such exempt real property on the
361 assessment list in such municipality for the assessment date two years
362 prior to the commencement of the state fiscal year in which such grants
363 are payable.

364 (e) Thirty-five million dollars of the moneys available in the
365 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal
366 Assistance Grant established by section 3-55i, as amended by this act,
367 shall be paid to municipalities in accordance with the provisions of
368 section 7-528, except that for the purposes of section 7-528, "adjusted
369 equalized net grand list per capita" means the equalized net grand list
370 divided by the total population of a town, as defined in subdivision (7)
371 of subsection (a) of section 10-261, multiplied by the ratio of the per
372 capita income of the town to the per capita income of the town at the
373 one hundredth percentile among all towns in the state ranked from

374 lowest to highest in per capita income, and "equalized net grand list"
 375 means the net grand list of such town upon which taxes were levied
 376 for the general expenses of such town two years prior to the fiscal year
 377 in which a grant is to be paid, equalized in accordance with section 10-
 378 261a.

379 (f) Five million four hundred seventy-five thousand dollars of the
 380 moneys available in the [Mashantucket Pequot and Mohegan Fund]
 381 Supplemental Municipal Assistance Grant established by section 3-55i,
 382 as amended by this act, shall be paid to the following municipalities in
 383 accordance with the provisions of section 7-528, except that for the
 384 purposes of said section 7-528, "adjusted equalized net grand list per
 385 capita" means the equalized net grand list divided by the total
 386 population of a town, as defined in subdivision (7) of subsection (a) of
 387 section 10-261, multiplied by the ratio of the per capita income of the
 388 town to the per capita income of the town at the one hundredth
 389 percentile among all towns in the state ranked from lowest to highest
 390 in per capita income, and "equalized net grand list" means the net
 391 grand list of such town upon which taxes were levied for the general
 392 expenses of such town two years prior to the fiscal year in which a
 393 grant is to be paid, equalized in accordance with section 10-261a:
 394 Bridgeport, Hamden, Hartford, Meriden, New Britain, New Haven,
 395 New London, Norwalk, Norwich, Waterbury and Windham.

396 (g) Notwithstanding the provisions of subsections (a) to (f),
 397 inclusive, of this section, the total grants paid to the following
 398 municipalities from the moneys available in the [Mashantucket Pequot
 399 and Mohegan Fund] Supplemental Municipal Assistance Grant
 400 established by section 3-55i, as amended by this act, shall be as follows:

T1	Bloomfield	\$ 267,489
T2	Bridgeport	10,506,506
T3	Bristol	1,004,050
T4	Chaplin	141,725
T5	Danbury	1,612,564

T6	Derby	432,162
T7	East Hartford	522,421
T8	East Lyme	488,160
T9	Groton	2,037,088
T10	Hamden	1,592,270
T11	Manchester	1,014,244
T12	Meriden	1,537,900
T13	Middletown	2,124,960
T14	Milford	676,535
T15	New Britain	3,897,434
T16	New London	2,649,363
T17	North Haven	268,582
T18	Norwalk	1,451,367
T19	Norwich	1,662,147
T20	Preston	461,939
T21	Rocky Hill	477,950
T22	Stamford	1,570,767
T23	Union	38,101
T24	Voluntown	156,902
T25	Waterbury	5,179,655
T26	Wethersfield	371,629
T27	Windham	1,307,974
T28	Windsor Locks	754,833

401 (h) For the fiscal year ending June 30, 1999, and each fiscal year
402 thereafter, if the amount of grant payable to a municipality in
403 accordance with this section is increased as the result of an
404 appropriation to the [Mashantucket Pequot and Mohegan Fund]
405 Supplemental Municipal Assistance Grant for such fiscal year which
406 exceeds eighty-five million dollars, the portion of the grant payable to
407 each eligible service district, in accordance with subsections (a) and (c)
408 of this section shall be increased by the same proportion as the grant
409 payable to such municipality under this section as a result of said
410 increased appropriation.

411 (i) For the fiscal year ending June 30, 2003, to the fiscal year ending
412 June 30, 2006, inclusive, the municipalities of Ledyard, Montville,
413 Norwich, North Stonington and Preston shall each receive a grant of
414 five hundred thousand dollars which shall be paid from the
415 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal
416 Assistance Grant established by section 3-55i, as amended by this act,
417 and which shall be in addition to the grants paid to said municipalities
418 pursuant to subsections (a) to (g), inclusive, of this section.

419 (j) For the fiscal years ending June 30, 2000, June 30, 2001, and June
420 30, 2002, the sum of forty-nine million seven hundred fifty thousand
421 dollars shall be paid to municipalities, and for the fiscal year ending
422 June 30, 2003, and each fiscal year thereafter, the sum of forty-seven
423 million five hundred thousand dollars shall be paid to municipalities,
424 in accordance with this subsection, from the [Mashantucket Pequot
425 and Mohegan Fund] Supplemental Municipal Assistance Grant
426 established by section 3-55i, as amended by this act. The grants
427 payable under this subsection shall be used to proportionately increase
428 the amount of the grants payable to each municipality in accordance
429 with subsections (a) to (i), inclusive, of this section and shall be in
430 addition to the grants payable under subsections (a) to (g), inclusive, of
431 this section.

432 (k) The amount of the grant payable to each municipality in
433 accordance with subsection (j) of this section shall be reduced
434 proportionately in the event that the total of the grants payable to each
435 municipality pursuant to this section exceeds the amount appropriated
436 for such grants with respect to such year.

437 Sec. 9. Section 3-55l of the 2006 supplement to the general statutes is
438 repealed and the following is substituted in lieu thereof (*Effective from*
439 *passage*):

440 (a) For the fiscal year ending June 30, 2006, the municipalities of
441 Ledyard, Montville, Norwich, North Stonington and Preston shall each
442 receive a grant of two hundred fifty thousand dollars which shall be

443 paid from the [Mashantucket Pequot and Mohegan Fund]
444 Supplemental Municipal Assistance Grant established by section 3-55i,
445 as amended by this act, and which shall be in addition to the grants
446 paid to said municipalities pursuant to section 3-55j, as amended by
447 this act.

448 (b) For the fiscal year ending June 30, 2007, and each fiscal year
449 thereafter, the municipalities of Ledyard, Montville, Norwich, North
450 Stonington and Preston shall each receive a grant of seven hundred
451 fifty thousand dollars which shall be paid from said [fund] grant and
452 which shall be in addition to the grants paid to said municipalities
453 pursuant to section 3-55j, as amended by this act.

454 (c) The grants payable in accordance with this section shall be
455 determined prior to the determination of grants pursuant to said
456 section 3-55j, as amended by this act, and shall not be reduced
457 proportionately if the total of the grants payable to each municipality
458 pursuant to said section exceeds the amount appropriated for grants
459 pursuant to section 3-55i, as amended by this act, with respect to each
460 such year.

461 Sec. 10. Subsection (b) of section 22a-27j of the general statutes is
462 repealed and the following is substituted in lieu thereof (*Effective from*
463 *passage*):

464 (b) Not later than three months following the close of each fiscal
465 year starting with fiscal year July 1, 2000, the Department of
466 Environmental Protection shall identify those municipalities that are
467 not in compliance with subsection (a) of this section for the previous
468 fiscal year and shall provide the Office of Policy and Management with
469 a list of such municipalities. The list shall be submitted annually and in
470 such manner as the Office of Policy and Management may require. The
471 Office of Policy and Management, when issuing the first payment from
472 the [Mashantucket Pequot and Mohegan Fund] Supplemental
473 Municipal Assistance Grant established pursuant to section 3-55i, as
474 amended by this act, in the fiscal year during which said list is

475 received, shall reduce said payment to a municipality by one thousand
476 dollars for each quarter of the preceding fiscal year that the
477 municipality has not been in compliance with subsection (a) of this
478 section to a maximum of four thousand dollars in each fiscal year. The
479 Office of Policy and Management shall certify to the State Comptroller
480 the amount of any funds withheld under this subsection to be
481 transferred to the Environmental Quality Fund for the uses set forth in
482 subsection (a) of this section, and the State Comptroller shall cause said
483 amount to be transferred to such fund.

484 Sec. 11. Subsection (i) of section 5-259 of the 2006 supplement to the
485 general statutes is repealed and the following is substituted in lieu
486 thereof (*Effective from passage*):

487 (i) The Comptroller may provide for coverage of employees of
488 [municipalities,] nonprofit corporations, community action agencies
489 and small employers and individuals eligible for a health coverage tax
490 credit, retired members or members of an association for personal care
491 assistants under the plan or plans procured under subsection (a) of this
492 section, provided: (1) Participation by each [municipality,] nonprofit
493 corporation, community action agency, small employer, eligible
494 individual, retired member or association for personal care assistants
495 shall be on a voluntary basis; (2) where an employee organization
496 represents employees of a [municipality,] nonprofit corporation,
497 community action agency or small employer, participation in a plan or
498 plans to be procured under subsection (a) of this section shall be by
499 mutual agreement of the [municipality,] nonprofit corporation,
500 community action agency or small employer and the employee
501 organization only and neither party may submit the issue of
502 participation to binding arbitration except by mutual agreement if
503 such binding arbitration is available; (3) no group of employees shall
504 be refused entry into the plan by reason of past or future health care
505 costs or claim experience; (4) rates paid by the state for its employees
506 under subsection (a) of this section are not adversely affected by this
507 subsection; (5) administrative costs to the plan or plans provided

508 under this subsection shall not be paid by the state; (6) participation in
 509 the plan or plans in an amount determined by the state shall be for the
 510 duration of the period of the plan or plans, or for such other period as
 511 mutually agreed by the [municipality,] nonprofit corporation,
 512 community action agency, small employer, retired member or
 513 association for personal care assistants and the Comptroller; and (7)
 514 nothing in this section or section 12-202a, as amended, 38a-551, as
 515 amended, 38a-553, as amended, or 38a-556 shall be construed as
 516 requiring a participating insurer or health care center to issue
 517 individual policies to individuals eligible for a health coverage tax
 518 credit. [The coverage provided under this section may be referred to as
 519 the "Municipal Employee Health Insurance Plan".] The Comptroller
 520 may arrange and procure for the employees and eligible individuals
 521 under this subsection health benefit plans that vary from the plan or
 522 plans procured under subsection (a) of this section. Notwithstanding
 523 any provision of part V of chapter 700c, the coverage provided under
 524 this subsection may be offered on either a fully underwritten or risk-
 525 pooled basis at the discretion of the Comptroller. For the purposes of
 526 this subsection, [(A) "municipality" means any town, city, borough,
 527 school district, taxing district, fire district, district department of
 528 health, probate district, housing authority, regional work force
 529 development board established under section 31-3k, regional
 530 emergency telecommunications center, tourism district established
 531 under section 32-302, flood commission or authority established by
 532 special act, regional planning agency, transit district formed under
 533 chapter 103a, or the Children's Center established by number 571 of
 534 the public acts of 1969; (B)] (A) "nonprofit corporation" means (i) a
 535 nonprofit corporation organized under 26 USC 501 that has a contract
 536 with the state or receives a portion of its funding from a municipality,
 537 the state or the federal government, or (ii) an organization that is tax
 538 exempt pursuant to 26 USC 501(c)(5); [(C)] (B) "community action
 539 agency" means a community action agency, as defined in section 17b-
 540 885; [(D)] (C) "small employer" means a small employer, as defined in
 541 subparagraph (A) of subdivision (4) of section 38a-564, as amended;

542 [(E)] (D) "eligible individuals" or "individuals eligible for a health
 543 coverage tax credit" means individuals who are eligible for the credit
 544 for health insurance costs under Section 35 of the Internal Revenue
 545 Code of 1986, or any subsequent corresponding internal revenue code
 546 of the United States, as from time to time amended, in accordance with
 547 the Pension Benefit Guaranty Corporation and Trade Adjustment
 548 Assistance programs of the Trade Act of 2002 (P.L. 107-210); [(F)] (E)
 549 "association for personal care assistants" means an organization
 550 composed of personal care attendants who are employed by recipients
 551 of service (i) under the home-care program for the elderly under
 552 section 17b-342, as amended, (ii) under the personal care assistance
 553 program under section 17b-605a, (iii) in an independent living center
 554 pursuant to sections 17b-613 to 17b-615, inclusive, or (iv) under the
 555 program for individuals with acquired brain injury as described in
 556 section 17b-260a; and [(G)] (F) "retired members" means individuals
 557 eligible for a retirement benefit from the Connecticut municipal
 558 employees' retirement system.

559 Sec. 12. (*Effective from passage*) Three hundred million dollars from
 560 the fiscal year 2006 budget surplus shall be transferred to the Healthy
 561 Employees and Lower Property Taxes Fund established pursuant to
 562 section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	10-76g
Sec. 7	<i>from passage</i>	3-55i
Sec. 8	<i>from passage</i>	3-55j
Sec. 9	<i>from passage</i>	3-55l
Sec. 10	<i>from passage</i>	22a-27j(b)
Sec. 11	<i>from passage</i>	5-259(i)

Sec. 12	<i>from passage</i>	New section
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Statement of Purpose:

To lower property taxes by requiring the state to provide health insurance coverage for town employees, including board of education employees, thereby reducing the portion of a town's expenditures that must be supported by property taxes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]